

**CHANGES IN THE COSTS OF OPERATION**  
**DEPARTMENT OF THE NAVY**  
**Marine Corps Depot Maintenance**  
**Fiscal Year (FY) 2005 Budget Estimate**  
**February 2004**  
**(Dollars in Millions)**

|    |  | <b>Total Cost</b> |
|----|--|-------------------|
| 1. | <b>FY 2003 Actuals</b>                   | 234.1             |
| 2. | <b>FY 2004 President's Budget:</b>       | 197.9             |
| 3. | <b>Pricing Adjustments:</b>              |                   |
|    | a. FY 2004 Payraise                      |                   |
|    | (1) Civilian Personnel                   | 1.9               |
|    | (2) Military Personnel                   | 0.0               |
|    | b. Annualization of Prior Year Pay Raise |                   |
|    | (1) Civilian Personnel                   | 0.9               |
|    | (2) Military Personnel                   | 0.0               |
|    | c. General Inflation                     | 0.0               |
| 4. | <b>Program Changes:</b>                  |                   |
|    | a. Workload Changes                      |                   |
|    | (1) Direct Labor                         | 20.1              |
|    | (2) Direct Materiel & Supplies           | 11.0              |
|    | (3) Contract/Other Purchases             | 2.9               |
| 5. | <b>Other Changes</b>                     |                   |
|    | a. Indirect Labor                        | 8.2               |
|    | b. VERA/VSIP/RIF                         | -5.2              |
|    | c. Indirect Materiel                     | 3.2               |
|    | d. Depreciation                          | 0.5               |
|    | e. Contract Services                     | 11.7              |
|    | f. Other                                 | 0.0               |
| 6. | <b>FY 2004 Current Estimate:</b>         | <b>253.1</b>      |
| 7. | <b>Pricing Adjustments:</b>              |                   |
|    | a. FY 2005 Payraise                      |                   |
|    | (1) Civilian Personnel                   | 1.2               |
|    | (2) Military Personnel                   | 0.0               |
|    | b. Annualization of Prior Year Pay Raise |                   |
|    | (1) Civilian Personnel                   | 1.1               |
|    | (2) Military Personnel                   | 0.0               |
|    | c. General Inflation                     | 1.8               |
| 8. | <b>Program Changes:</b>                  |                   |
|    | a. Workload Changes                      |                   |
|    | (1) Direct Labor                         | -13.0             |
|    | (2) Direct Material & Supplies           | -8.0              |
|    | (3) Contract Services                    | -0.3              |
|    | (4) Other Purchases                      | -0.4              |

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|             |                         |              |
|-------------|-------------------------|--------------|
| 9.          | <b>Other Changes</b>    |              |
|             | a. Indirect Labor       | 1.8          |
|             | b. VERA/VSIP/RIF        | 0.8          |
|             | c. Indirect Material    | -2.7         |
|             | d. Depreciation         | -0.1         |
|             | e. Contract Services    | -2.3         |
|             | f. Other                | -2.7         |
| 10. FY 2005 | <b>Current Estimate</b> | <b>230.3</b> |